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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY \_\_\_\_\_

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2017 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

IRENA SHUT,  
DOMENIC SIGMORELLI, and  
ROBERT JOSEPH,

Defendants.

No. 18CR00315

18CR00315-RGK

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy;  
18 U.S.C. §§ 981(a)(1)(A),  
981(a)(1)(C), 982(a)(1),  
982(a)(7) and 28 U.S.C. §  
2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

I. GENERAL ALLEGATIONS

At all times relevant to this Indictment:

A. Defendants and Related Entities and Individuals

1. Unindicted co-conspirator ("UCC") A and UCC-B formed  
and caused the formation of TYY Consulting, Inc.  
("TYY") in or about February 2011.

1           2.     TYY purported to provide "marketing consulting  
2 services" to pharmacies and had a registered address in Las  
3 Vegas, Nevada. TYY engaged "marketing representatives"  
4 ("marketers" or "reps") to generate prescriptions of compounded  
5 drugs and/or other pharmaceuticals for New Age Pharmaceuticals,  
6 Inc.; Roxsan Pharmacy; Concierge Compounding Pharmaceuticals,  
7 Inc.; and Precise Compounding Pharmacy, Inc. (collectively, "the  
8 TYY-Affiliated Pharmacies").

9           3.     UCC-A, UCC-B, UCC-C, and UCC-D formed and caused the  
10 formation of Concierge Compounding Pharmaceuticals, Inc.  
11 ("Concierge") to fill compounded drug prescriptions generated by  
12 TYY "reps." In or about November 2012, Concierge became fully  
13 operational in Nevada and the primary beneficiary of TYY's  
14 "marketing" efforts.

15           4.     Precise Compounding Pharmacy, Inc. ("Precise") was a  
16 pharmacy located in Culver City, California, within the Central  
17 District of California, formed in or about December 2008, by  
18 UCC-E, who was a pharmacist licensed in California.  
19 In January 2013, UCC-A, UCC-B, UCC-C, and UCC-D acquired  
20 ownership interests in Precise, which they fraudulently  
21 concealed so that UCC-E remained the only owner of public record  
22 for the pharmacy. UCC-E also obtained a fraudulently concealed  
23 ownership interest in Concierge and TYY.

24           5.     UCC-F was a TYY marketer, based in Maryland, who,  
25 through "Meditech," was paid percentage-based commissions for  
26 facilitating the referral of prescriptions for compounded drugs  
27 and other items reimbursed by health care benefit programs to  
28 the TYY-Affiliated Pharmacies. UCC-F was affiliated

1 with TYY, initially under an independent contractor agreement,  
2 and later under a sham consulting agreement with Concierge.  
3 UCC-G was initially an employee of UCC-F, and was later, at the  
4 request of UCC-F, designated as a purported employee of  
5 Concierge, so Concierge could pay UCC-G's employment wages for  
6 the benefit of UCC-F.

7 6. UCC-H was a TYY marketer, based in Florida, who,  
8 through "DCMI," was paid percentage-based commissions for  
9 facilitating the referral of prescriptions for compounded drugs  
10 and other items reimbursed by health care benefit programs to  
11 the TYY-Affiliated Pharmacies. UCC-H operated as an independent  
12 contractor with respect to TYY.

13 7. UCC-I was a TYY marketer, based in California, who,  
14 through MCNAA, Inc., was paid percentage-based commissions for  
15 facilitating the referral of prescriptions for compounded drugs  
16 and other items reimbursed by health care benefit programs to  
17 the TYY-Affiliated Pharmacies. UCC-I was affiliated with TYY,  
18 initially under an independent contractor agreement, and later  
19 under a sham employment agreement with Precise. In order to  
20 fully compensate UCC-I for the large volume of his prescription  
21 referrals, without creating a suspiciously generous employment  
22 agreement, UCC-I, UCC-A, UCC-B, UCC-D, UCC-E, and others,  
23 arranged for compensation to be paid to UCC-I's wife through a  
24 fraudulent employment contract between Precise and UCC-I's wife.

25 8. UCC-J was a TYY marketer, based in Alabama, who,  
26 through "Doc RX," was paid percentage-based commissions for  
27 facilitating the referral of prescriptions for compounded drugs  
28 and other items reimbursed by health care

1 benefit programs to the TYY-Affiliated Pharmacies. UCC-J  
2 operated as an independent contractor with respect to TYY.

3 9. UCC-K was a TYY marketer who, through Associated DME,  
4 Inc., was paid percentage-based commissions for facilitating the  
5 referral of prescriptions for compounded drugs and other items  
6 reimbursed by health care benefit programs to the TYY-Affiliated  
7 Pharmacies. UCC-K operated as an independent contractor and  
8 generated prescription referrals from various states, including  
9 Florida.

10 10. UCC-L was a TYY marketer, based in Florida, who was  
11 paid percentage-based commissions for facilitating the referral  
12 of prescriptions for compounded drug and other items reimbursed  
13 by health care benefit programs to the TYY-Affiliated  
14 Pharmacies. UCC-L operated as an independent contractor with  
15 respect to TYY.

16 11. UCC-M was a TYY marketer, based in California, who was  
17 paid percentage-based commissions for facilitating the referral  
18 of prescriptions for compounded drugs and other items reimbursed  
19 by health care benefit programs to the TYY-Affiliated  
20 Pharmacies. UCC-M was affiliated with TYY, initially under an  
21 independent contractor agreement, and later under a sham  
22 employment agreement with Precise.

23 12. UCC-N was a TYY marketer, based in Florida, who,  
24 through AALS Consulting, was paid percentage-based  
25 commissions for facilitating the referral of prescriptions for  
26 compounded drugs and other items reimbursed by health care  
27 benefit programs to the TYY-Affiliated Pharmacies. UCC-N  
28 operated as an independent contractor with respect to TYY.

1           13. Defendant IRENA SHUT ("defendant SHUT") was a TYY  
2 marketer, based in Los Angeles, California, who, through Mise  
3 Marketing, was paid percentage-based commissions for  
4 facilitating the referral of prescriptions for compounded drugs  
5 and other items reimbursed by health care benefit programs to  
6 the TYY-Affiliated Pharmacies. Defendant SHUT was affiliated  
7 with TYY, initially under an independent contractor agreement,  
8 and later under a sham consulting agreement with Concierge.

9           14. UCC-O was a TYY marketer, based in California, who was  
10 paid percentage-based commissions for facilitating the referral  
11 of prescriptions for compounded drugs and other items reimbursed  
12 by health care benefit programs to the TYY-Affiliated  
13 Pharmacies. UCC-O operated as an independent contractor under  
14 defendant SHUT, through Mise Marketing, initially, and later,  
15 with TYY directly.

16           15. Defendant DOMENIC SIGMORELLI ("defendant SIGMORELLI")  
17 was a podiatrist licensed in California, who wrote compounded  
18 drug prescriptions for patients that were routed to the TYY-  
19 Affiliated Pharmacies for dispensing, in exchange for kickback  
20 payments from defendant SHUT.

21           16. Defendant ROBERT JOSEPH ("defendant JOSEPH") was a  
22 podiatrist licensed in California, who wrote compounded drug  
23 prescriptions for patients that were routed to the TYY-  
24 Affiliated Pharmacies for dispensing, in exchange for kickback  
25 payments from defendant SHUT.

26           17. UCC-P was a podiatrist licensed in Maryland, who wrote  
27 compounded drug prescriptions for patients that were routed to  
28 the TYY-Affiliated Pharmacies for

1 dispensing. TYY would pay UCC-N and UCC-K percentage-based  
2 commissions for facilitating prescription referrals from UCC-P.

3 18. UCC-Q was a physician licensed in Florida, who wrote  
4 compounded drug prescriptions for patients, including UCC-L and  
5 his family members, which were routed to the TYY-Affiliated  
6 Pharmacies for dispensing based on kickbacks and bribes paid to  
7 UCC-L and UCC-Q. (UCC-A through UCC-Q are collectively referred  
8 to as "the UCCs", UCC-F through UCC-O are collectively referred  
9 to as the "TYY Marketing UCCs", and UCC-P through UCC-Q are  
10 collectively referred to as the "TYY Prescribing UCCs".)

11 B. TRICARE

12 19. TRICARE provided health care coverage for Department  
13 of Defense ("DoD") beneficiaries worldwide, including active  
14 duty service members, National Guard and Reserve members,  
15 retirees, their families, and survivors.

16 20. Individuals who received health care benefits through  
17 TRICARE were referred to as TRICARE beneficiaries. The Defense  
18 Health Agency ("DHA"), an agency of the DoD, was the military  
19 entity responsible for overseeing and administering the TRICARE  
20 program.

21 21. TRICARE provided coverage for certain prescription  
22 drugs, including certain compounded drugs that were medically  
23 necessary and prescribed by a licensed physician. Express  
24 Scripts, Inc. ("ESI") administered TRICARE's prescription drug  
25 benefits.

26 22. TRICARE beneficiaries could fill their prescriptions  
27 through military pharmacies, TRICARE's home delivery program,  
28 network pharmacies, and non-network pharmacies. If a

1 beneficiary chose a network pharmacy, the pharmacy would collect  
2 any applicable co-pay from the beneficiary, dispense the drug to  
3 the beneficiary, and submit a claim for reimbursement to ESI,  
4 which would in turn adjudicate the claim and reimburse the  
5 pharmacy. To become a TRICARE network pharmacy, a pharmacy  
6 agreed to be bound by, and comply with, all applicable State and  
7 Federal laws, specifically including those addressing fraud,  
8 waste, and abuse.

9 C. DOL-OWCP

10 23. The Federal Employees' Compensation Act, Title 5,  
11 United States Code, Sections 8101, et seq. ("FECA") provided  
12 certain benefits to civilian employees of the United States, for  
13 wage-loss disability due to a traumatic injury or occupational  
14 disease sustained while working as a federal employee (the "FECA  
15 program").

16 24. The Office of Workers' Compensation Programs ("OWCP"),  
17 a component of the Department of Labor ("DOL"), administered the  
18 FECA program, which was a federal workers' compensation program  
19 focused on return to work efforts and was not a medical  
20 insurance or a retirement plan.

21 25. When a qualified employee suffered a work-related  
22 injury, the employee filed a claim for coverage with OWCP, which  
23 then assigned the claimant an OWCP claim number.

24 26. To obtain reimbursement for prescription drugs  
25 provided to OWCP claimants or beneficiaries, a pharmacy had to  
26 submit its prescription claims for payment to OWCP, using the  
27 beneficiary's OWCP claim number. By submitting a claim for  
28 reimbursement with OWCP, the pharmacy provider certified that



1 the service or product for which reimbursement was sought was  
2 medically necessary, appropriate, and properly billed in  
3 accordance with accepted industry standards.

4 27. OWCP would process the claims submitted by the  
5 provider, and if all required information was included, OWCP  
6 would reimburse the provider in accordance with an established  
7 fee schedule.

8 D. State Workers' Compensation System

9 28. The California Workers' Compensation System ("CWCS")  
10 was a system created by California law to provide insurance  
11 covering treatment of injury or illness suffered by individuals  
12 in the course of their employment. Under the CWCS, employers  
13 were required to purchase workers' compensation insurance  
14 policies from insurance carriers to cover their employees. When  
15 an employee suffered a covered injury or illness and received  
16 medical services, the medical service provider submitted a claim  
17 for payment to the relevant insurance carrier, which then paid  
18 the claim. Claims were submitted to and paid by the insurance  
19 carriers either by mail or electronically. The CWCS was  
20 governed by various California laws and regulations.

21 29. The California State Compensation Insurance Fund  
22 ("SCIF") was a non-profit insurance carrier, created by the  
23 California Legislature, that provided workers' compensation  
24 insurance to employees in California, including serving as the  
25 "insurer of last resort" under the CWCS system for employers  
26 without any other coverage.

27 30. California law, including the California Business and  
28 Professions Code and the California Insurance Code, prohibited



1 the offering, delivering, soliciting, or receiving of anything  
2 of value in return for referring a patient for medical items or  
3 services.

4 E. Fiduciary Duties

5 31. A "fiduciary" obligation generally existed whenever  
6 one person -- a client -- placed special trust and confidence in  
7 another -- the fiduciary -- in reliance that the fiduciary will  
8 exercise his or her discretion and expertise with the utmost  
9 honesty and forthrightness in the interests of the client, such  
10 that the client relaxed the care and vigilance which she or he  
11 would ordinarily exercise, and the fiduciary knowingly accepted  
12 that special trust and confidence and thereafter undertook to  
13 act on behalf of the client based on such reliance.

14 32. Physicians, pharmacists, and pharmacy owners, among  
15 other medical professionals, owed a fiduciary duty to their  
16 patients and customers, requiring these fiduciaries to act in  
17 the best interest of the patients, and not for their own  
18 professional, pecuniary, or personal gain. These fiduciaries  
19 owed a duty of honest services to their patients for decisions  
20 made relating to the medical care and treatment of those  
21 patients and customers, including the authorizing, prescribing,  
22 and dispensing of pharmaceuticals to such patients and  
23 customers. Patients' and customers' right to honest services  
24 from these fiduciaries included the right not have the  
25 fiduciaries solicit or accept bribes and kickbacks connected to  
26 the medical care or treatment of such patients/customers.

27 F. Health Care Programs

28 33. Among other programs, Tricare and FECA were "federal

1 health care programs," as defined by 42 U.S.C. § 1320a-7b(f)  
2 (collectively, the "Affected Federal Health Care Programs").

3 34. The Affected Federal Health Care Programs, SCIF and  
4 other state workers' compensation insurance carriers, along with  
5 other public and private plans and contracts that Concierge and  
6 Precise billed for compounded drug prescription reimbursements  
7 were "health care benefit programs," as defined by 18 U.S.C.  
8 § 24(b), that affected commerce (collectively, the "Affected  
9 Health Care Plans").

10 G. Compounded Drugs

11 35. In general, "compounding" was a practice in which a  
12 licensed pharmacist, a licensed physician, or, in the case of an  
13 outsourcing facility, a person under the supervision of a  
14 licensed pharmacist, combined, mixed, or altered ingredients of  
15 a drug or multiple drugs to create a drug tailored to the needs  
16 of an individual patient. Compounded drugs were not FDA-  
17 approved, that is, the FDA did not verify the safety, potency,  
18 effectiveness, or manufacturing quality of compounded drugs.  
19 The California State Board of Pharmacy regulated the practice of  
20 compounding in the State of California.

21 36. Compounded drugs were prescribed by a physician when  
22 an FDA-approved drug did not meet the health needs of a  
23 particular patient. For example, if a patient was allergic to a  
24 specific ingredient in an FDA-approved medication, such as a dye  
25 or a preservative, a compounded drug would be prepared excluding  
26 the substance that triggered the allergic reaction. Compounded  
27 drugs would also be prescribed when a patient could not consume  
28 a medication by traditional means, such as an elderly patient or

1 a child who could not swallow an FDA-approved pill and needed  
2 the drug in a liquid form that was not otherwise available.

3 II. OBJECTS OF THE CONSPIRACY

4 37. Beginning on an unknown date, but no later than in or  
5 about November 2012, and continuing through at least in or about  
6 June 2016, in Los Angeles County, within the Central District of  
7 California, and elsewhere, defendant SHUT, defendant SIGNORELLI,  
8 defendant JOSEPH, the UCCs, and others known and unknown to the  
9 Grand Jury, knowingly combined, conspired, and agreed to commit  
10 the following offenses against the United States:

11 a. mail and wire fraud, in violation of Title 18,  
12 United States Code, Sections 1341 and 1343;

13 b. honest services mail and wire fraud, in violation  
14 of Title 18, United States Code, Sections 1341, 1343, and 1346;

15 c. health care fraud, in violation of Title 18,  
16 United States Code, Section 1347;

17 d. using the mails and interstate facilities in aid  
18 of bribery, in violation of Title 18, United States Code,  
19 Section 1952(a)(1) and (3);

20 e. engaging in monetary transactions in property  
21 derived from specified unlawful activity, in violation of Title  
22 18, United States Code, Section 1957;

23 f. knowingly and willfully soliciting or receiving  
24 remuneration in return for referring an individual for the  
25 furnishing and arranging for the furnishing of any item or  
26 service, and in return for arranging for and recommending  
27 purchasing or ordering any good, service, or item, for which  
28 payment may be made in whole or in part under a Federal health

1 care program, in violation of Title 42, United States Code,  
2 Section 1320a-7b(b) (1); and

3 g. knowingly and willfully offering to pay or paying  
4 any remuneration to any person to induce such person to refer an  
5 individual for the furnishing and arranging for the furnishing  
6 of any item or service, and to arrange for and recommend  
7 purchasing or ordering any good, service, or item, for which  
8 payment may be made in whole or in part under a Federal health  
9 care program, in violation of Title 42, United States Code,  
10 Section 1320a-7b(b) (2).

11 III. THE MANNER AND MEANS OF THE CONSPIRACY

12 38. The objects of the conspiracy were carried out, and to  
13 be carried out, in substance, as follows:

14 a. UCC-A, UCC-B, UCC-C, UCC-D, and UCC-E  
15 (collectively, "the TYY-Related Owners"), along with other co-  
16 conspirators working with the TYY-Related Owners, would provide  
17 kickbacks to the TYY Marketing UCCs, the TYY Prescribing UCCs,  
18 and others (collectively, the "Kickback Induced Referral  
19 Sources") in return for referring, arranging for, recommending,  
20 and causing the referral of, pre-formulated prescriptions for  
21 compounded drugs and other pharmaceuticals (collectively,  
22 "Kickback Tainted Prescriptions") to the TYY-Affiliated  
23 Pharmacies. These kickbacks would include: (1) percentage-based  
24 referral payments from TYY to the TYY Marketing UCCs in exchange  
25 for arranging for, recommending, and causing the referral of  
26 Kickback Tainted Prescriptions to the TYY-Affiliated Pharmacies;  
27 and (2) items, services, and other things of value from TYY and  
28 the TYY Marketing UCCs to the TYY Prescribing UCCs and other

1 health care professionals to induce the prescribing or  
2 authorization of Kickback Tainted Prescriptions for  
3 beneficiaries of the Affected Health Care Plans for dispensing  
4 at the TYY-Affiliated Pharmacies.

5           b. In response to the promise of kickbacks, Kickback  
6 Induced Referral Sources would refer and cause the referral of  
7 Kickback Tainted Prescriptions to the TYY-Affiliated Pharmacies.

8           c. The TYY-Affiliated Pharmacies would dispense  
9 compounded drugs and other pharmaceuticals authorized by the  
10 Kickback Tainted Prescriptions.

11           d. The TYY-Affiliated Pharmacies would send  
12 compounded drugs and other pharmaceuticals, by mail, to patient-  
13 beneficiaries and submit claims for reimbursement to the  
14 Affected Health Care Plans.

15           e. Medical professionals and others who were  
16 entrusted to exercise judgement and discretion in making  
17 decisions relating to the medical care and treatment of patients  
18 -- including the prescribing, authorizing, and dispensing of  
19 compounded drugs and other pharmaceuticals to patients -- owed a  
20 duty of honest services to those patients. Medical  
21 professionals and others responsible for the medical care and  
22 treatment of these patients would deprive the patients of their  
23 right to honest services by soliciting, receiving, offering, and  
24 paying kickbacks to induce the referral of Kickback Tainted  
25 Prescriptions to the TYY-Affiliated Pharmacies, and by  
26 concealing these material facts.

1 f. To conceal and disguise the illegal nature of the  
2 inducements provided to Kickback Induced Referral Sources for  
3 Kickback Tainted Prescriptions, the TYY-Related Owners, along  
4 with other co-conspirators, would use TYY to insulate the TYY-  
5 Affiliated Pharmacies from payments to the TYY Marketing UCCs  
6 and the TYY Prescribing UCCs.

7 g. TYY would recruit "marketers," including  
8 defendant SHUT and the TYY Marketing UCCs, who would leverage  
9 pre-existing relationships and develop new ones with physicians  
10 and other health care professionals to generate Kickback Tainted  
11 Prescriptions for dispensing at the TYY-Affiliated Pharmacies.  
12 Defendant SHUT and several of the TYY Marketing UCCs, including  
13 UCC-F, UCC-G, UCC-I, UCC-K, UCC-L, UCC-N, and UCC-O, would offer  
14 inducements to the TYY Prescribing UCCs to generate prescription  
15 referrals.

16 h. Using "marketing" contracts to disguise the true  
17 nature of the payments, including independent contractor,  
18 employment, and consulting agreements, TYY would pay marketers:  
19 (a) a percentage of the amount the Affected Health Care Plans  
20 reimbursed the TYY-Affiliated Pharmacies for each Kickback  
21 Tainted Prescription; or (b) starting in mid-2016, a purported  
22 "fixed" amount established and adjusted to replicate a  
23 percentage of such reimbursements. These payments to marketers  
24 would be made primarily -- or entirely, depending on the  
25 circumstances -- for the generation and steering of Kickback  
26 Tainted Prescriptions to the TYY-Affiliated Pharmacies, rather  
27 than any purported "marketing" or advertising-related services  
28 identified in the respective agreements.

1 i. Based on the referral fees the TYY-Related  
2 Owners, through TYY, offered "marketers," defendant SHUT and the  
3 TYY Marketing UCCs would:

4 (1) solicit physicians to authorize  
5 prescriptions of unfamiliar combinations of compounded drugs and  
6 other custom pharmaceuticals;

7 (2) present prescribing physicians with pre-  
8 printed prescriptions for compounded drug combinations or  
9 formularies specifically selected to maximize the amount the  
10 Affected Health Care Plans would reimburse for each  
11 prescription, without regard for the medical efficacy of the  
12 formulary; and

13 (3) falsely inform prescribing physicians that  
14 beneficiaries would not be responsible for any "out-of-pocket"  
15 costs associated with the prescribed compounded drugs and  
16 pharmaceuticals. In reality, nearly all of the Affected Health  
17 Care Plans (with the exception of workers' compensation  
18 programs) required patients to contribute a co-payment ("co-  
19 pay") amount towards the prescription cost. As the co-  
20 conspirators well knew, health care benefit programs reimbursed  
21 prescription claims on the express understanding that patients  
22 made any applicable co-pay to the dispensing pharmacy, or,  
23 alternatively, that the pharmacy provider prepared and  
24 maintained hardship exception paperwork providing good faith  
25 justification for uncollected patient co-pays.

26 ///

27 ///

28 ///



1           j. Defendants SIGNORELLI and JOSEPH and other TYY  
2 Prescribing UCCs would receive kickbacks and bribes from  
3 defendant SHUT and other TYY Marketing UCCs as inducements to  
4 authorize Kickback Tainted Prescriptions.

5           k. The TYY-Related Owners would also induce medical  
6 professionals to authorize prescriptions. These inducements  
7 would be concealed through various arrangements, including:

8               (1) The management of in-office pharmacy  
9 dispensing programs for certain TYY Prescribing UCCs where  
10 management fees would be discounted to provide such physicians.  
11 with kickbacks and bribes. The calculation of the discounted  
12 management fee, and the corresponding inducement, would be based  
13 on the physician's volume of compounded drug prescriptions,  
14 despite the fact that the compounded drug prescriptions would be  
15 dispensed by the TYY-Related Pharmacies and wholly unrelated to  
16 any physician's in-office dispensing program;

17               (2) The use of a financial transaction referred  
18 to as "factoring," or more specifically, "accounts receivable  
19 factoring," where TYY would purchase all or a portion of the  
20 accounts receivable of certain TYY Prescribing UCCs paying  
21 substantially above fair market value to incentivize TYY  
22 Prescribing UCCs to write compounded drug prescriptions; and

23               (3) The offering of prostitutes, expensive  
24 meals, valuable event tickets, and other items of value.

25           l. Based on these undisclosed inducements,  
26 the TYY Prescribing UCCs and defendants SIGNORELLI and JOSEPH,  
27 would authorize the pre-printed prescriptions for compounded  
28 drugs: (a) with no prior physician/patient relationship with the

1 beneficiaries; (b) without the knowledge or consent of the  
2 purported beneficiaries; and/or (c) without meaningfully  
3 considering a far less expensive FDA-approved (i.e., non-  
4 compounded) prescription drug for the patient.

5           m. In order to pay the Kickback Induced Referral  
6 Sources for the Kickback Tainted Prescriptions, the TYY-Related  
7 Owners, and other co-conspirators, would cause Concierge and  
8 Precise to engage in financial transactions using reimbursements  
9 from the Affected Health Care Plans. These reimbursements would  
10 be paid to the TYY-Affiliated Pharmacies based on insurance  
11 billings and corresponding reimbursements on Kickback Tainted  
12 Prescriptions (collectively, the "Health Care Fraud ('HCF') and  
13 Kickback Proceeds"). As the TYY-Related Owners and many of the  
14 TYY Marketing UCCs and TYY Prescribing UCCs then knew and  
15 understood, HCF and Kickback Proceeds paid to Kickback Induced  
16 Referral Sources -- commonly exceeding \$10,000 -- would be made  
17 circuitously from the TYY-Affiliated Pharmacies to TYY and then  
18 to the referral source to conceal and disguise the nature,  
19 source, ownership, and control of the HCF and Kickback Proceeds  
20 from the Affected Health Care Plans and corresponding pharmacy  
21 benefit managers, patient-beneficiaries, regulatory bodies, and  
22 others.

23           n. As the TYY-Related Owners, TYY Marketing UCCs,  
24 TYY Prescribing UCCs, and other co-conspirators knew and  
25 intended, and as was reasonably foreseeable to them, in  
26 obtaining Kickback Tainted Prescriptions, operating the TYY-  
27 Affiliated Pharmacies to dispense Kickback Tainted Prescriptions  
28

1 and submitting claims for reimbursement using the mails,  
2 interstate wire communications, and other facilities in  
3 interstate commerce, the TYY-Related Owners, the TYY Marketing  
4 UCCs, the TYY Prescribing UCCs, defendants SHUT, SIGNORELLI, and  
5 JOSEPH, as well as other co-conspirators, would conceal material  
6 information from patient-beneficiaries and the Affected Health  
7 Care Plans, including the fact that the TYY-Related Owners  
8 offered, paid, and caused to be paid, and the Kickback Induced  
9 Referral Sources solicited, received, and caused to be solicited  
10 and received, kickbacks and bribes for the referral of Kickback  
11 Tainted Prescriptions to the TYY-Affiliated Pharmacies.

12 o. In order to track referral fees, the TYY-Related  
13 Owners, along with other co-conspirators, would make several  
14 arrangements, including using computer software programs, such  
15 as DigitalRX, for billing and prescription tracking, and for  
16 giving the TYY Marketing UCCs access to data to facilitate the  
17 tracking of referral fees. This data would include for each  
18 prescription the "marketer," prescriber, and health care benefit  
19 program applicable to the beneficiary and prescription,  
20 including the Affected Federal Health Care Programs, such as  
21 TRICARE and the FECA program.

#### 22 IV. EFFECTS OF THE CONSPIRACY

23 39. By concealing the true facts regarding the Kickback  
24 Tainted Prescriptions from the Affected Health Care Plans, the  
25 co-conspirators prevented the Affected Health Care Plans from  
26 subjecting the claims to additional review, paying lesser  
27 amounts on the claims, and in some instances rejecting the  
28 claims altogether.

1           40. In furtherance of the conspiracy, co-conspirators  
2 caused Concierge and Precise to submit claims for reimbursement  
3 on Kickback Tainted Prescriptions seeking in excess of \$250  
4 million from the Affected Health Care Plans.

5           41. As result of these claims, between in or about  
6 November 2012 and in or about June 2016, the Affected Health  
7 Care Plans paid Concierge approximately \$117,675,261 for  
8 Kickback Tainted Prescriptions, and between in or about January  
9 2013 and in or about June 2016, paid Precise approximately  
10 \$56,901,662 for Kickback Tainted Prescriptions.

11           42. In furtherance of the conspiracy, between in or about  
12 April 2014 and July 2016, co-conspirators caused TYY to pay  
13 defendant SHUT approximately \$6,789,000. In turn, and in  
14 furtherance of the conspiracy, defendant SHUT paid defendant  
15 SIGMORELLI approximately \$885,000, through two members of  
16 defendant SIGORELLI's family, in exchange for authorizing  
17 Kickback Tainted Prescriptions, which were dispensed at the TYY-  
18 Related Pharmacies, and for which the Affected Health Care Plans  
19 reimbursed the TYY-Related Pharmacies approximately \$14 million.

20           43. In furtherance of the conspiracy, between in or  
21 about April 2014 and July 2016, defendant SHUT paid defendant  
22 JOSEPH approximately \$332,500, through defendant JOSEPH's  
23 mother, in exchange for defendant JOSEPH authorizing Kickback  
24 Tainted Prescriptions, which were dispensed at the TYY-Related  
25 Pharmacies, and for which the Affected Health Care Plans  
26 reimbursed the TYY-Related Pharmacies approximately \$1.3  
27 million.

1 V. OVERT ACTS

2 44. In furtherance of the conspiracy and to accomplish its  
3 objects, on or about the following dates, the TYY Related  
4 Owners, the TYY Marketing UCCs, the TYY Prescribing UCCs,  
5 defendants SHUT, SIGMORELLI, and JOSEPH, and other co-  
6 conspirators known and unknown to the Grand Jury, committed,  
7 willfully caused others to commit, and aided and abetted the  
8 commission of the following overt acts, among others, within the  
9 Central District of California and elsewhere:

10 Overt Act No. 1: On or about December 1, 2012, UCC-D  
11 caused Concierge to issue check number 1073 from a Wells Fargo  
12 Bank account bearing a number ending in 7686 (the "7686 Wells  
13 Fargo Acct"), in the approximate amount of \$190,992, to TYY.

14 Overt Act No. 2: On or about December 13, 2012, UCC-J  
15 sent an email to UCC-A and UCC-C, among others, with the subject  
16 line "Dr's sending in scripts not showing up." UCC-J explained:  
17 We have doctors sending in scripts that are not showing up  
18 in our payout. Please look at reassign these. Someone is  
19 getting credit for them and shouldn't be. Please make sure  
20 these are added to our payout for the last 2 months of  
21 scripts.

22 In the email, UCC-J provided the names of seven prescribing  
23 physicians, including physicians who wrote prescriptions  
24 reimbursed by the Affected Federal Health Care Programs.

25 Overt Act No. 3: On or about December 19, 2012, UCC-A  
26 sent an email with the subject line "Orlando Magic info," to  
27 other TYY-Related Owners, discussing the purchase of  
28 approximately 38 Orlando Magic tickets for "marketing purposes,"

1 for a purchase price of approximately \$13,052. In the email,  
2 UCC-A named three "marketers," including UCC-L, and stated that  
3 these "marketers" were asking if the TYY-Related Owners would  
4 buy seats that include food and beverage to utilize for  
5 marketing. UCC-A noted that the "marketers" had increased their  
6 numbers from \$150,000 to \$200,000 per month and were looking to  
7 increase volume. In a reply email, UCC-B added, "I think we  
8 should do it. We need as much business as possible with the  
9 loss of [a deceased marketer]."

10 Overt Act No. 4: On January 4, 2013, UCC-A sent an email  
11 to UCC-D and another Concierge employee, noting: "FYI [UCC-F]  
12 DID 900k+ HE IS A GOLDEN GOOSE KEEP HIS SHIT FLOWIN."

13 Overt Act No. 5: On June 3, 2013, UCC-A sent an email to  
14 UCC-E and UCC-C, writing:

15 "REMINDER GUYS PLEASE. [UCC-P] WHO IS A VERY BIG  
16 PRESCRIBER WANTS THIS STUFF THAT HE WAS PREVIOUSLY GETTING  
17 FROM VALLEY VIEW. PLEASE YOU REALLY NEED TO GET THIS  
18 INF[ORMATION] TOGETHER AND TEST REIMBURSEMENTS AND TELL ME  
19 QUICKLY IF THESE ARE DOBBLE [sic]. PLEASE DON'T LAG."

20 An email from UCC-P's surgical coordinator that included  
21 compound drug prescription formulas UCC-P previously referred to  
22 another pharmacy was attached to UCC-A's email.

23 Overt Act No. 6: On June 13, 2013, UCC-J caused a  
24 Concierge employee to send an email to UCC-C, writing: "This is  
25 what UCC-J is sending to our patients," with a sample letter  
26 attached to the email. The attached letter read:

27 Dear (patient), Concierge Pharmacy has been trying to get  
28 in touch with you to refill your prescription that (doctor

1 name) wrote for you. The current number we have for you may  
2 be incorrect. (Doctor Name) would like for you to continue  
3 the treatment plan he has for you with refills for your  
4 prescription. If you have already received your most recent  
5 refill please disregard this letter. If not, please contact  
6 our refill department. Sincerely, Concierge Pharmacy Refill  
7 Department.

8 In response to reviewing the letter UCC-J was sending to  
9 patients on behalf of Concierge regarding refills, UCC-C  
10 responded: "Fuck No." When the Concierge employee then asked  
11 UCC-C, "Okay, so what should I tell him?", UCC-C responded, "Say  
12 this is illegal."

13 Overt Act No. 7: On or about June 18, 2013, UCC-C sent  
14 an email to the other TYY-Related Owners and two Concierge  
15 employees concerning wound care and scar cream prescription pad  
16 formularies. In the email, titled "Re: New pad," UCC-C detailed  
17 the ingredient changes, as follows: "FCL to KFCL...Ketoprofen  
18 10, Fluribiprofen 10, Cyclo 4, Lido 5 [describing the compound  
19 medication formulary ingredients]... FBCGL to FKBCGL...Ketoprofen  
20 10, flubi 10, baclo 2, gaba 6, lido 2."

21 Overt Act No. 8: On or about July 12, 2013, after a  
22 Concierge employee emailed the TYY-Related Owners inquiring:  
23 "What do we say when a patient brings in an EOB to the doctor  
24 showing that we billed \$3000 for a compound and the patient is  
25 upset?," UCC-A responded: "No returns." and UCC-C replied:

26 We say we don't have control of what the drug companies  
27 have set the pricing for these compounds. All we do is  
28



1 process it through insurance and if it's not covered we  
2 send a FREE emergency supply.

3 Overt Act No. 9: On or about July 17, 2013, a Concierge  
4 employee sent an email to UCC-A and UCC-D, stating:

5 Hi Fred, I am sending this email for [a TYY Marketing UCC].  
6 She is doing a convention here and many of the doctors we  
7 have signed up will be attending. She will obviously be  
8 entertaining for a couple nights. She was talking with  
9 [UCC-A] and trying to come up with a way to get a credit  
10 card, since she tells me that at some venues credit cards  
11 (not cash) are a must. . . .

12 UCC-A responded: "Yes [UCC-D,] we should get her a pre paid card  
13 in case she takes them out etc. for the convention. We can go  
14 over this Monday though."

15 Overt Act No. 10: On or about August 13, 2013, UCC-J sent  
16 an email to UCC-A and UCC-C, writing:

17 If you want to increase your revenue, particularly on  
18 refills, I have a new proposal. You give me the reps to  
19 manage. Anybody over 200K in gross, you pay me 5% on.  
20 Anyone below 200K, you pay me as you do now on my %'s. But  
21 I manage them ALL. Texas big wigs too. You will see an  
22 increase in your revenue 10 fold this way. Also, you are  
23 going to have to pay me 45% on everything minus Triad.

24 Overt Act No. 11: On or about October 4, 2013, UCC-G sent  
25 an email to UCC-F, which UCC-F forwarded to UCC-A and UCC-B.  
26 The email from UCC-G highlighted complaints received from Blue  
27 Cross Blue Shield (BCBS) federal patient-beneficiaries. The  
28 email explained that patients were complaining that they were

1 not receiving their prescription medications, even though BCBS  
2 had already been billed for the prescriptions.

3 Overt Act No. 12: On or about October 9, 2013, UCC-A sent  
4 an email to other TYY-Related Owners and two Concierge employees  
5 concerning making arrangements to provide a car for UCC-P to  
6 entertain other prescribing physicians in Las Vegas, Nevada.

7 Overt Act No. 13: On October 23, 2013, a Concierge  
8 employee emailed the TYY-Related Owners, writing:

9 THIS IS FOR ANYONE, CHRISTINE ([UCC-K's] ASSISTANT) CALLED  
10 ME SAYING THAT [UCC-P] WANTS ONE OF YOU TO CALL HIM TODAY.  
11 HE NEEDS SOMEONE TO CLARIFY WHY HE SENT IN A 100 SCRIPTS  
12 AND ONLY 20 APPROVED. HE WANTS ONE OF YOU TO SPEAK WITH  
13 HIM. HE REQUESTED THAT SPECIFICALLY.

14 Overt Act No. 14: On or about October 30, 2013, UCC-C  
15 sent an email to several Concierge employees and other TYY-  
16 Related Owners, writing:

17 I say forget the 3 stupid call rules. If the Rx goes  
18 through and we still haven't contacted the patients. Then  
19 just send the Rx to patient. Let's not lose our customers  
20 and have physicians pissed at us. Call and if no answer  
21 and medication went through insurance, ship it out.

22 As part of the same email chain, UCC-A inquired: "What if it is  
23 a large copay?" UCC-B replied: "Ship ship ship."

24 Overt Act No. 15: On or about November 27, 2013, UCC-F  
25 and the TYY-Related Owners engaged in an email exchange  
26 concerning the purchase of a condominium in the Dominican  
27 Republic for UCC-F, in the amount of approximately \$500,000.

1        Overt Act No. 16:    On or about December 9, 2013, UCC-F  
2 sent an email to UCC-A and UCC-C, writing:

3        We did only a couple months of CC [referring to compounding  
4 creams] in 2012. Less than \$1M in income for me. In 2013,  
5 I am very close to \$5.5M in CC commissions. Without CC  
6 [compounding creams] my 2013 revenue is \$2.7M (not exact  
7 but very good estimate). 2012 is closer to \$2.5M.

8        Overt Act No. 17:    On or about December 25, 2013, co-  
9 conspirators caused TYY to pay \$70,000 to UCC-H, from a Wells  
10 Fargo bank account bearing a number ending in 2106 (the "2106  
11 Wells Fargo Acct"), for the purchase of 3 Miami Dolphins  
12 football suites to be used to entertain prescribing physicians.

13        Overt Act No. 18:    On or about December 29, 2013, co-  
14 conspirators caused TYY to pay \$29,500 to UCC-H from the 2106  
15 Wells Fargo Acct for the purchase of a watch to be given to a  
16 TYY Prescribing UCC.

17        Overt Act No. 19:    On or about March 21, 2014, UCC-K sent  
18 an email to UCC-H, UCC-A, and UCC-B, attaching a prescription  
19 formulary sheet, and writing: "Guys here is another RX from  
20 express RX. I just hired a rep from there company. He  
21 collected \$25K in one week. There [sic] pain swelling cream  
22 number one is paying \$9K PLEASE RUN SOME FORMULAS AND FIND US  
23 SOME PAYERS."

24        Overt Act No. 20:    On or about May 21, 2014, defendant  
25 SHUT wrote a check for \$18,000 from Mise Marketing to defendant  
26 JOSEPH's mother, in exchange for defendant JOSEPH's  
27 authorization of Kickback Tainted Prescriptions.  
28

1        Overt Act No. 21:    On or about July 21, 2014, UCC-F  
2 requested the TYY-Related Owners place his employee, UCC-G, on  
3 the TYY payroll, as an inducement to UCC-F to continue to  
4 generate prescription referrals.

5        Overt Act No. 22:    On or about July 22, 2014, UCC-F sent  
6 an email to UCC-A, UCC-B, and UCC-C, with the subject "Re:  
7 DME/[UCC-G]/Medicare," explaining:

8            For MC business . . . i'm sure that attorneys will tell us  
9 that we need to make it close to 'fair market value'. How  
10 does \$5k/month (\$60k annual salary) sound plus 20%  
11 commission (from my normal 28%) for the MC orders. If I  
12 don't make enough to cover the salary you can deduct from  
13 my normal commissions. I think that might be a good  
14 solution for other reps that we want to bring in for MC  
15 bracing, lab etc . . . thoughts? Maybe for them do  
16 \$3k/month and adjust their commissions a bit like me . . .  
17 commissions paid as bonus.

18        Overt Act No. 23:    On or about July 24, 2014, defendant  
19 SHUT sent an email to UCC-C describing TYY's payments for the  
20 benefit of defendant SIGNORELLI, who referred Kickback Tainted  
21 Prescriptions to the TYY-Affiliated Pharmacies. The payments  
22 included \$288 for a limousine service that picked up defendant  
23 SIGNORELLI at his residence and transported him to the BOA  
24 Restaurant, located in West Hollywood, California, where  
25 defendant SIGNORELLI's dinner bill totaled approximately \$1,698,  
26 which was also paid by TYY.

27        Overt Act No. 24:    On August 28, 2014, UCC-L caused Lily  
28 Medical LLC, a durable medical equipment and supplies company,

1 to file its articles of organization with the Florida Secretary  
2 of State.

3 Overt Act No. 25: On or about September 3, 2014, UCC-B  
4 caused Concierge to issue check number 2044 from the 7686 Wells  
5 Fargo Acct, in the amount of \$1,250,000, to TYY.

6 Overt Act No. 26: On or about September 30, 2014,  
7 defendant SHUT sent an email to UCC-A and UCC-C, writing, in  
8 part, "Help." The email forwarded another email from an  
9 employee of defendant SIGNORELLI, which cautioned defendant SHUT  
10 to be "aware of the issues with the labor dept." The forwarded  
11 email included a faxed letter from the medical director of the  
12 TSA workers' compensation case management program to defendant  
13 SIGNORELLI, which expressed concern over defendant SIGNORELLI's  
14 then-ongoing and frequent prescribing of costly compounded  
15 topical medications to a TSA employee who had returned to duty  
16 eighteen months earlier, with no difficulty or issues involving  
17 his prior foot injury.

18 Overt Act No. 27: On or about October 17, 2014, UCC-A  
19 caused TYY to issue check number 4846 to the Washington Wizards  
20 from the 2106 Wells Fargo Acct, in the amount of \$12,325, for  
21 the purchase of professional basketball tickets for UCC-F to  
22 entertain TYY-affiliated prescribers. The memo line of the  
23 check reads: "50% deposit on tickets."

24 Overt Act No. 28: On or about November 6, 2014, UCC-D  
25 caused Concierge to issue check number 1184 from the 7686 Wells  
26 Fargo Acct, in the amount of \$1,250,000, to TYY.

27 Overt Act No. 29: On or about November 20, 2014,  
28 defendant SHUT wrote a check for \$16,000 from Mise Marketing to

1 defendant JOSEPH's mother, in exchange for defendant JOSEPH's  
2 authorization of Kickback Tainted Prescriptions.

3 Overt Act No. 30: On or about November 20, 2014,  
4 defendant SHUT wrote a check for \$45,000 from Mise Marketing to  
5 a family member of defendant SIGNORELLI, in exchange for  
6 defendant SIGNORELLI's authorization of Kickback Tainted  
7 Prescriptions.

8 Overt Act No. 31: On or about November 26, 2014, UCC-E  
9 sent an email to UCC-L, writing:

10 When the girls called the patients told them either nobody  
11 called them and they don't need refills or they said they  
12 have already said they don't want refills. So if that's  
13 the case why are these refills on your refill log when  
14 patients clearly have said they do not want any refills???  
15 UCC-L replied, "There were multiple patients that said they  
16 didn't want it due to costs but when we explained we have a  
17 hardship program they were interested."

18 Overt Act No. 32: On December 31, 2014, UCC-B caused TYY  
19 to issue check number 5054 from the 2106 Wells Fargo Acct to the  
20 Washington Wizards, in the amount of \$12,325, for the purchase  
21 of sporting event tickets provided to UCC-F to entertain TYY  
22 Prescribing UCCs and others. The memo line of the check read:  
23 "Final 50% deposit on tickets."

24 Overt Act No. 33: On or about February 6, 2015, UCC-B  
25 sent a group text to UCC-E, defendant SHUT, and a Concierge  
26 employee regarding defendant SIGNORELLI. In the text, UCC-B  
27 sent a screen shot of a text message from defendant SIGNORELLI.  
28 UCC-B indicated that defendant SIGNORELLI had given blanket

1 authorization for refills in perpetuity for all of his patients  
2 with prescriptions dispensed at the TYY-Affiliated Pharmacies.  
3 Defendant SIGNORELLI also advised that TYY representatives  
4 should only contact him directly and not contact his office  
5 staff regarding refills and other questions pertaining to  
6 prescriptions.

7 Overt Act No. 34: On or about February 25, 2015, co-  
8 conspirators caused Precise to issue check number 5163 from the  
9 Chase Bank account number ending in 5150 (the "5150 Chase  
10 Acct"), in the amount of \$400,000, to TYY.

11 Overt Act No. 35: On or about March 10, 2015, co-  
12 conspirators caused Precise to issue check number 1357 from the  
13 5150 Chase Acct, in the amount of \$1,500,000, to TYY.

14 Overt Act No. 36: On or about March 20, 2015, defendant  
15 SHUT wrote a check for \$60,000 from Mise Marketing to a family  
16 member of defendant SIGNORELLI, in exchange for defendant  
17 SIGNORELLI's authorization of Kickback Tainted Prescriptions.

18 Overt Act No. 37: On or about July 21, 2015, UCC-B, UCC-  
19 G, and a Concierge employee participated in a group text message  
20 chain. As part of the text chain, UCC-G wrote: "Ben-I'm gonna  
21 send u a boat load of patients-can we test run claims to see  
22 what's covered on these patients." The Concierge employee  
23 responded: "yeah."

24 Overt Act No. 38: On or about April 25, 2016, UCC-D sent  
25 an email to UCC-J, attaching a Concierge Employee Handbook,  
26 HIPPA form, I-9 form, W-4, and Direct Deposit forms. UCC-D  
27 added: "Congratulations on coming aboard. Please fill all  
28



1 applications and return to me to get you started as new  
2 employee."

3 Overt Act No. 39: On or about May 10, 2016, UCC-J sent an  
4 email to UCC-D, writing:

5 Basically DOL is about the only thing paying. However, I  
6 have a billing company I know that is doing wc billing for  
7 pharmacies and making a killing for pharmacies. They also  
8 do some wc billing for me. They can collect on at least  
9 60% of this report. I would like to be the guinea pig for  
10 you guys to try them. I know my adjudications will go up  
11 and you will make more money than doing this ourselves.

12 Overt Act No. 40: On or about May 16, 2016, the TYY-  
13 Related Owners issued employment agreements to UCC-I and his  
14 wife, who were purported employees of Precise.

15 Overt Act No. 41: On or about June 15, 2016, a Concierge  
16 employee sent an email to UCC-J, UCC-D, and another individual,  
17 with the subject line "RE: Commission Payment." The Concierge  
18 employee wrote:

19 Commissions will no longer be coming from Tyy Consulting,  
20 as TYY has been dissolved as of May 1, 2016, so commissions  
21 will no longer be paid out on the 15th of the month. Once  
22 all the paperwork has been signed and returned to CCRX  
23 (which I believe as of today it has been returned) then  
24 [UCC-D] will assign a representative from CCRX to have the  
25 reports to you on a regular basis."

26 Overt Act No. 42: On or about June 1, 2016, UCC-F entered  
27 into a consulting services agreement with Concierge, through  
28 Meditech Inc., for a \$75,000 monthly salary, purportedly

1 covering various marketing and advertising services, including  
2 "assistance in the preparation of marketing materials,"  
3 "consultation on pharmacy operations," "develop[ing] marketing  
4 strategies," "provid[ing] educational sessions for physicians  
5 and other healthcare providers," and "provid[ing] consultation  
6 on federal and state rules and regulations."

## FORFEITURE ALLEGATION

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

45. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendants SHUT, SIGMORELLI, and JOSEPH (collectively, the "defendants") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under Count One of this Indictment.

46. Defendants shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in Count One of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a. If more than one defendant is found guilty under Count One of this Indictment, each such defendant found guilty shall be liable for the entire amount forfeited pursuant to Count One of this Indictment.

47. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of a defendant, the property described in the preceding paragraph, or any portion thereof

(a) cannot be located upon the exercise of due diligence;  
(b) has been transferred, sold to or deposited with a third  
party; (c) has been placed beyond the jurisdiction of the Court;  
(d) has been substantially diminished in value; or (e) has been  
commingled with other property that cannot be divided without  
difficulty.

A TRUE BILL

/s/  
Foreperson

NICOLA T. HANNA  
United States Attorney



LAWRENCE S. MIDDLETON  
Assistant United States Attorney  
Chief, Criminal Division

RANEE A. KATZENSTEIN  
Assistant United States Attorney  
Chief, Major Frauds Section

STEPHEN A. CAZARES  
Assistant United States Attorney  
Deputy Chief, Major Frauds Section

ASHWIN JANAKIRAM  
Assistant United States Attorney  
Major Frauds Section